

Health and Family Services
General Administration and Program Support

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,301,700	38,309,500	39,646,400	33,965,700	33,770,000
Salary Compensation Fund	586,200				
Total General Fund	35,887,900	38,309,500	39,646,400	33,965,700	33,770,000
Restricted Funds					
Balance Forward	5,334,300	6,173,000	4,239,600		
Current Receipts	9,333,600	9,337,900	9,350,000	9,333,600	9,333,600
Non-Revenue Receipts	2,060,900	2,060,900	2,060,900	2,071,800	2,083,900
Fund Transfers	-5,723,000				
Total Restricted Funds	11,005,800	17,571,800	15,650,500	11,405,400	11,417,500
Federal Funds					
Balance Forward	312,400				
Current Receipts	43,206,100	46,377,500	47,980,600	42,040,700	41,408,400
Total Federal Funds	43,518,500	46,377,500	47,980,600	42,040,700	41,408,400
TOTAL SOURCE OF FUNDS	90,412,200	102,258,800	103,277,500	87,411,800	86,595,900
EXPENDITURES BY CLASS					
Personnel Cost	57,167,300	64,630,700	67,836,900	56,314,300	55,058,400
Operating Expenses	33,244,900	33,388,500	33,379,700	31,097,500	31,097,500
Debt Service					440,000
TOTAL EXPENDITURES	90,412,200	98,019,200	101,216,600	87,411,800	86,595,900
EXPENDITURES BY FUND SOURCE					
General Fund	35,887,900	38,309,500	39,646,400	33,965,700	33,770,000
Restricted Funds	11,005,800	13,332,200	13,589,600	11,405,400	11,417,500
Federal Funds	43,518,500	46,377,500	47,980,600	42,040,700	41,408,400
TOTAL EXPENDITURES	90,412,200	98,019,200	101,216,600	87,411,800	86,595,900
EXPENDITURES BY UNIT					
Administrative Support	68,048,000	72,622,300	74,617,900	66,550,800	66,247,300
Inspector General	22,364,200	25,396,900	26,598,700	20,861,000	20,348,600
TOTAL EXPENDITURES	90,412,200	98,019,200	101,216,600	87,411,800	86,595,900

General Administration and Program Support consists of Administrative Support and the Office of the Inspector General.

The Administrative Support area includes the Office of the Secretary, the Office of Legal Services, the Office of Legislative and Public Affairs, the Office of Fiscal Services, the Office of Technology, the Office of Human Resource Management, and the Office of Contract Oversight. These offices provide policy, administrative, legal, financial, and personnel support services to the program areas of the Cabinet.

The Office of the Inspector General provides support to other programs in the Cabinet for Health and Family Services through the Division of Audits and Detection, the Division of Special Investigations, the Division of Regulated Child Care, the Division of Health Care Facilities and Services, and the Division of Fraud, Waste, and Abuse Identification and Prevention.

Health and Family Services
General Administration and Program Support
Administrative Support

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	29,000,800	31,156,600	32,129,700	28,319,700	28,344,100
Salary Compensation Fund	376,400				
Total General Fund	29,377,200	31,156,600	32,129,700	28,319,700	28,344,100
Restricted Funds					
Balance Forward	2,395,700	3,021,100	2,096,800		
Current Receipts	7,561,100	7,561,100	7,561,100	7,561,100	7,561,100
Non-Revenue Receipts	1,321,100	1,321,100	1,321,100	1,321,100	1,321,100
Fund Transfers	-2,571,100				
Total Restricted Funds	8,706,800	11,903,300	10,979,000	8,882,200	8,882,200
Federal Funds					
Balance Forward	124,100				
Current Receipts	29,839,900	31,659,200	32,539,200	29,348,900	29,021,000
Total Federal Funds	29,964,000	31,659,200	32,539,200	29,348,900	29,021,000
TOTAL SOURCE OF FUNDS	68,048,000	74,719,100	75,647,900	66,550,800	66,247,300
EXPENDITURES BY CLASS					
Personnel Cost	37,609,500	42,056,400	44,060,800	37,444,900	36,701,400
Operating Expenses	30,438,500	30,565,900	30,557,100	29,105,900	29,105,900
Debt Service					440,000
TOTAL EXPENDITURES	68,048,000	72,622,300	74,617,900	66,550,800	66,247,300
EXPENDITURES BY FUND SOURCE					
General Fund	29,377,200	31,156,600	32,129,700	28,319,700	28,344,100
Restricted Funds	8,706,800	9,806,500	9,949,000	8,882,200	8,882,200
Federal Funds	29,964,000	31,659,200	32,539,200	29,348,900	29,021,000
TOTAL EXPENDITURES	68,048,000	72,622,300	74,617,900	66,550,800	66,247,300

Administrative Support provides funding for seven organizational units within the Cabinet for Health and Family Services including the Office of the Secretary, the Office of Legal Services, the Office of Legislative and Public Affairs, the Office of Fiscal Services, the Office of Technology, the Office of Human Resource Management, and the Office of Contract Oversight.

The Office of the Secretary provides oversight and leadership for the Cabinet and its programs.

The Office of Legal Services provides legal advice and assistance to all units of the Cabinet in any legal action in which it may be involved. This office provides legal representation for the Cabinet in federal courts, state courts, and before quasi-judicial and administrative bodies; administers all personal service contracts of the Cabinet for legal services; assists in drafting and reviewing legislation, regulations, statutes, and other legal documents and instruments; and provides the Secretary, Commissioners, and Directors in the Cabinet with the legal advice and representation necessary for them to properly administer the Cabinet's programs.

The Office of Legislative and Public Affairs is responsible for providing qualified administrative law judges/hearing officials to conduct administrative hearings related to Cabinet matters, overseeing and monitoring legislative activities, and representing the Cabinet in matters of public information, including media inquiries, open records requests, press releases, public relations, and internal communications.

The Office of Fiscal Affairs provides overall administrative support including designing, coordinating and documenting all activities related to budget; reporting and management analysis; providing and tracking accounting and payment services, including travel, for the Cabinet; filing required financial reports; responding to audits of the Cabinet's programs; providing maintenance and security of the accounting systems; monitoring all leased facilities of the Cabinet, including space design and utilization, insurance, on-site facility inspections, general maintenance and construction for the Cabinet's state-owned properties; preparation and maintenance of the Cabinet's Six-Year Capital Plan; coordinating, tracking and monitoring capital construction projects; and maintaining and reporting the inventory of physical assets including record retention.

The Office of Technology is responsible for providing strategic direction and oversight of technology resources for the Cabinet, including technical support services, system security, statewide system services, monitoring technology purchase requests and other technology-related services and initiatives. The Office is also responsible for maintaining high quality technology, managing and maintaining the Cabinet's network, installing and supporting voice communication systems, and supervising the development, operation, and security of the extensive statewide application systems that support direct delivery of statewide services.

The Office of Human Resource Management serves all Cabinet employees and programs and provides payroll and health benefits administration, equal employment opportunity compliance, and professional development and training activities. This Office serves as the Cabinet's appointing authority and performs all the duties, responsibilities and functions required to maintain an effective and efficient personnel management system in accordance with the Kentucky Revised Statutes, Kentucky Administrative Regulations and the policy guidelines of the Secretary of the Cabinet.

The Office of Contract Oversight is responsible for monitoring Cabinet contracts, overseeing the procurement process, providing technical support to Cabinet staff in procurement and contracting procedures, and ensuring compliance with statutes, regulations, policy, and procedures related to procurement and contracting.

Policy

General Fund money of \$440,000 is provided in fiscal year 2008 for debt service for the Safeguarding Children at Risk (TWIST Rewrite - Phase II) project also known as The Workers Information System (TWIST).

Restricted Fund resources of \$450,000 are provided in fiscal year 2006 for technology expenses associated with developing system interfaces required to transition to the new eMARS statewide accounting system on July 1, 2006.

Health and Family Services
General Administration and Program Support
Inspector General

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,300,900	7,152,900	7,516,700	5,646,000	5,425,900
Salary Compensation Fund	209,800				
Total General Fund	6,510,700	7,152,900	7,516,700	5,646,000	5,425,900
Restricted Funds					
Balance Forward	2,938,600	3,151,900	2,142,800		
Current Receipts	1,772,500	1,776,800	1,788,900	1,772,500	1,772,500
Non-Revenue Receipts	739,800	739,800	739,800	750,700	762,800
Fund Transfers	-3,151,900				
Total Restricted Funds	2,299,000	5,668,500	4,671,500	2,523,200	2,535,300
Federal Funds					
Balance Forward	188,300				
Current Receipts	13,366,200	14,718,300	15,441,400	12,691,800	12,387,400
Total Federal Funds	13,554,500	14,718,300	15,441,400	12,691,800	12,387,400
TOTAL SOURCE OF FUNDS	22,364,200	27,539,700	27,629,600	20,861,000	20,348,600
EXPENDITURES BY CLASS					
Personnel Cost	19,557,800	22,574,300	23,776,100	18,869,400	18,357,000
Operating Expenses	2,806,400	2,822,600	2,822,600	1,991,600	1,991,600
TOTAL EXPENDITURES	22,364,200	25,396,900	26,598,700	20,861,000	20,348,600
EXPENDITURES BY FUND SOURCE					
General Fund	6,510,700	7,152,900	7,516,700	5,646,000	5,425,900
Restricted Funds	2,299,000	3,525,700	3,640,600	2,523,200	2,535,300
Federal Funds	13,554,500	14,718,300	15,441,400	12,691,800	12,387,400
TOTAL EXPENDITURES	22,364,200	25,396,900	26,598,700	20,861,000	20,348,600

The Office of the Inspector General has five divisions: the Division of Audits and Detection, the Division of Special Investigations, the Division of Regulated Child Care, the Division of Fraud, Waste and Abuse/Identification and Prevention, and the Division of Health Care Facilities and Services. The general authority for the Office of the Inspector General is codified within KRS 194A.030.

The Division of Audits and Detection (DOAD) examine Cabinet programs to assess contractor compliance with state and federal laws and regulations. In accordance with KRS 194A.030, the Division is responsible for the conduct of audits of programs within the Cabinet for Health and Family Services, their grantees and contractors. These include audits of nursing homes, home health agencies, Mental Health/Mental Retardation Boards, primary care centers, psychiatric hospitals, adult day care facilities, spouse abuse centers, child care centers, the Supports for Community Living Program, community action agencies, and child support programs. The DOAD also conducts preliminary investigations of alleged fraud and abuse, which are received over the Medicaid fraud hotline (mandated by KRS 205.8483 and 42 CFR 455) and other Medicaid fraud referrals. DOAD also acts as an independent appraisal function within the Cabinet to examine and evaluate its financial and management activities.

The Division of Special Investigations conducts investigations to detect fraud or abuse of any program by any client, or by any vendor of services with whom the Cabinet has contracted. It conducts special investigations requested by the Secretary, commissioners, or agency heads into matters related to the Cabinet and its programs. The Division notifies and

forwards any information relevant to possible criminal violations to the appropriate prosecuting authority. The Division operates a toll-free welfare and Medicaid fraud and abuse hotline, conducts investigations of Women, Infants, and Children (WIC) program vendors, and collects and reports data on assistance program fraud investigations by the Office of the Inspector General and the Office of the Attorney General.

The Division of Regulated Child Care is charged with the licensing of certified Family Day Care homes, licensed day care centers (Type I and II), child caring facilities, child-placing agencies, and private adoptive service agencies. This includes initial licensure surveys, yearly re-licensure surveys, and complaint surveys. The division also rates child care centers as part of the voluntary STARS for KIDS NOW quality initiative.

The Division of Fraud, Waste and Abuse/Identification and Prevention is responsible for planning, developing, and directing agency efforts to identify and prevent fraud, waste and abuse in the Medicaid program, and all other assistance programs administered by the Cabinet for Health and Family Services. The Division is responsible for Medicaid and health care provider, and Medicaid and welfare recipient, surveillance and utilization review, and notification on all issues of administrative compliance and enforcement, including recovery of funds. The Division is responsible for administering the enhanced KASPER (Kentucky All Schedule Prescription Enforcement Reporting) system by fully utilizing this database for all purposes under the law and maximizing the potential for this monitoring system. The Division is also responsible for specialized regulatory enforcement matters involving the dispensing of controlled substances in the Commonwealth, and policy analysis for recommendations to the respective programs within the Cabinet.

The Division of Health Care Facilities and Services conducts on-site inspections of all health facilities and services throughout the state (including over 2,600 laboratories) to determine compliance with state licensing standards and federal Medicare and Medicaid certification requirements. The Division also investigates allegations of abuse and neglect that may occur in a licensed health facility.

Policy

The Governor's budget recommendation includes Federal Fund and Restricted Fund resources totaling \$1.3 million in fiscal year 2007 and \$1.4 million in fiscal year 2008 to support 17 full-time positions for public assistance fraud investigations previously contracted through the Office of the Attorney General.